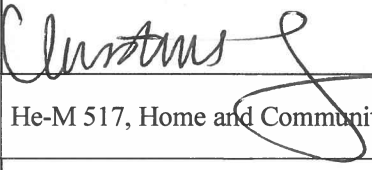


Policy Number	032
Policy Owner	Bureau of Developmental Services (BDS)
Policy Name	Reallocation of Funds
From	Christine Santaniello, BDS Director
Administrator's Signature	
Regulatory and other Reference(s)	He-M 517, Home and Community Based Services Waiver
Approval Date	July 10, 2017
Effective Date	August 1, 2017
Revision History	N/A
Key Contacts	BDS Finance Administrator and BDS PA Supervisor

**Policy Statement:**

The Department of Health and Human Services (DHHS), BDS develops and maintains policies to describe the requirements for implementing BDS programs and services, ensure compliance with applicable federal/state laws, regulations and requirements, and to support the BDS mission and strategic planning goals.

**Purpose and Intent of Policy:**

The purpose of this policy is to set forth the criteria and procedure for submitting a Reallocation of Funds request.

## **Definitions:**

**Reallocation:** Applies to those situations in which the Area Agency (AA) is requesting to move funding from one individual to another based on the changing needs, circumstances, and/or service utilization of those served.

## **Types of Reallocations:**

**Temporary Reallocations:** Intended for the current fiscal year and are not annualized. Intended to solve a fiscal year need. There are two types of temporary reallocations:

- **One Time:** Intended to address those one-time areas that require modifications during the year. These are not permanent and are meant to address the unexpected changes individuals have in service throughout the year. Due to the high number of these reallocations, BDS will only process these once or twice a year, typically in December and May, when funding is available.
- **Crisis:** Intended to address those who require one-time funds and immediate access to services and possibly increased funding. Under the Developmental Disability and Acquired Brain Disorder Waivers, Crisis allocations/approvals are limited to six (6) month period.

**Annualized/Permanent Reallocations:** Intended to address long-term changes in individual's needs and circumstances and part of ongoing Utilization Review that AA's are expected to conduct. The intent is to give area agencies flexibility to address individual needs and achieve greater effectiveness in both service outcomes and cost. Whenever an agency achieves reductions in cost, it can apply these annualized savings to address individual client or waiting list/projected services needs list issues. Annualized reallocations are not intended to be used for agency/administrative funding issues.

## **Disclaimer:**

**Reallocations, whether temporary, annualized, or routine, are only allowed when funding is available. If BDS has a budget deficit and/or the regional and/or statewide Advanced Authorizations have a deficit, BDS reserves the right to not allow any reallocations for the remainder of the fiscal year. In the event that BDS invokes this, a notice will be sent to AA's.**

**When funds are available, BDS will implement Routine Reallocations two times per fiscal year, typically in December and May. If it is unclear whether funds will be available, Routine Reallocations will occur one time per year. If funds are not available, a Routine Reallocation shall not occur.**

## **Procedure for submitting a Temporary Crisis Reallocation Request:**

The AA will request through its BDS Liaison, a request to temporarily move dollars from one individual to the other for a crisis situation. To do this, the area agency will upload the required documentation (budget and justification) to E-studio for review and approval.

1. Upon approval from BDS via the BDS Liaison, the area agency will enter the proposed changes in the Budget Tracking System (BTS) for the current fiscal year only.
2. The BDS Liaison will approve the transaction in BTS.
3. Once the area agency receives the approval in BTS, the area agency will request either a six-month Crisis Prior Authorization (PA) or an increase in units/funding to the current service levels from the BDS PA unit. This will be done through a Unit/Service Level Change Request (UCR) to the individual's existing authorization via e-studio or through a Prior Authorization request submitted through the MMIS system. The area agency will include in its request:
  - PA request form (UCR or PA Application Request)
  - Crisis budget (not to exceed six months) and justification, to included, but not limited to: short description of the individual, short description of their crisis situation, and short description of what crisis funds will be used for and desired outcome.
  - Amended Service Agreement
  - Updated BDS Functional Screen
4. Once the PA is approved, the area agency is notified and can start billing for the crisis situation.  
Note: For those receiving existing services, crisis services can start once the BDS Liaison grants approval. Ultimate payments for submitted claims will be contingent on the area agency submitting the required documentation for PA approval.

#### **Permanent Reallocation:**

#### **For Participant Directed and Managed Services (PDMS) Permanent Reallocation:**

The AA shall:

1. Stop billing for all individuals involved while this process is occurring.
2. Amend the Service Agreements and budgets for both the person giving up the funding and the person who will be receiving the additional funds.
3. Submit to the BDS Liaison the proposal for review and approval.
4. Amend the 525 Certification.
5. Upon approval from the BDS Liaison, enter the changes in BTS.
6. Submit to BDS' PA Unit the UCR Form, following that process and policy.

### **For Day/Personal Care/Residential Services Permanent Reallocation:**

The AA shall:

1. Stop billing for all individuals involved while this process is occurring.
2. Submit to the BDS Liaison for review and approval, documentation that demonstrates what the area agency is proposing, including, but not limited to:
  - A narrative that includes:
    - a) who will be giving up resources and why this is possible
    - b) who will be gaining resources and why this is needed
  - Budgets for all impacting individuals
  - Spreadsheet that summarizes the budget changes.
3. Upon approval from the BDS Liaison, enter the annualized changes in BTS.
4. Submit to BDS' PA Unit the Service Level Change Request form and documentation, following that process and policy or if changes are happening on the Renewal Date of the Prior Authorization a PA Renewal Request should be submitted, following that process and policy.

### **Temporary One-Time Reallocation:**

As mentioned earlier in the disclaimer, BDS will only allow these reallocations when funds are available. There may be times during a difficult budget year or a year with significant advanced authorizations that temporary one-time reallocations may not be allowed. In addition, if an area agency has outstanding obligations to BDS, for example, but not limited to: budget adjustment not complete and/or contract requirements not met, BDS may limit or not allow an agency to request a temporary one-time reallocation.

1. Only unbilled Medicaid units/dollars that occur during the fiscal year can be reallocated.
2. Reallocations are to be within like service types (Day to Day, Residential to Residential).
3. In a year when there are two reallocations, Reallocations for Participant Directed and Managed Services (PDMS) shall only occur at the end of the fiscal year, and to the maximum extent possible, made within PDMS. Reallocation from PDMS to other services will require special approval from BDS.
4. While there is no limit on how often funds can be taken from an individual who has not used service units, for those agency requests that have funds taken from the same individual(s) for three consecutive years, will receive extensive review by the BDS Liaison and may require permanent adjustment.

5. The limit for reallocating funds to an individual budget is \$10,000.
6. To the maximum extent possible, distribute like amounts of reallocated units (for example, reduce Residential units from 10 people, add Residential units to 10 or more appropriate individuals). Do not request to move units from 9 individuals to 1 individual because it is the most expedient strategy.

There are factors that will impact the ability of BDS to process the Reallocation Request that will impact the AA's ability to fully maximize the reallocation opportunity. The AA Reallocation Request can only be submitted once, it is important that the AA ensure that the spreadsheet is completed, accurate and does not include any of the following, which will cause rejection of the specific request. Requests cannot be re-submitted; the spreadsheet submitted by the AA is final.

It is important to note:

- BDS will not consider reallocation amounts of \$250 or less.
- Buffer units are not available for reallocation.
- Funds cannot be moved between Medicaid waivers.
- Funds from vacancies cannot be reallocated.
- Funds from an Advanced Authorization cannot be used for reallocations in the year the advance is given.
- Waiting List dollars are not included in this process, unless directed otherwise.
- Level changes are not allowed during a temporary one-time reallocation. Service levels may not be increased and/or cannot be added through this process, i.e., reallocation changes will be applied only to units within the currently approved service categories and levels.
- The AA shall ensure that the reallocation request does not include units that have been billed and/or paid. There will be no opportunity to make changes and resubmissions after BDS approves the reallocation request, so any unintended ultimate shortage will result in a reduced reallocation and payment for the area agency.
- If there are not enough reductions to cover the increases, the AA's request will be decreased or rejected.

Upon notification by BDS of the availability of a routine reallocation, the area agency shall:

1. Submit the requested documentation on the spreadsheet supplied by BDS.
2. Return the requested documentation in the timelines specified by BDS.
3. Upon approval of the plan, make the year only adjustments in BTS.